

Strategic Reorientation for the Egyptian Commercial Service

PREPARED BY
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EXECUTIVE SUMMARY

The Egyptian Commercial Service (ECS) is studying a strategic reorientation of their service that will yield enhanced benefits for Egyptian exporters and to potential investors in Egypt. Prior consultancies in 1998, 2000, 2002, and in 2004 helped to identify the structural and functional areas where ECS would need to make changes.

Unfortunately, few, if any, of the recommendations were implemented from the top. Now, with new leadership in the Ministry of Foreign Trade and Industry, and with a young, motivated officer corps, the time seems to be right for action, but this time with a different approach and with different “change agents”.

This report concentrates on the practical tradecraft issues that the ECS will need to address if it is to be successful in its mission. While strategic issues are not ignored, the emphasis here is on building upon successes “from the ground up” by empowering officers and staff. All that is required is ministerial consent to proceed. The Minister and senior staff retain their prerogatives to review and to consent to the recommended changes. Time is of the essence, as the ATR consultancy continues only until the second quarter, 2006. Implementation needs to begin now, concurrent with the new IT projects.

If ECS officers become stakeholders in their organization and in their chosen careers, then exports and investment are likely to be enhanced, and this will redound to the credit of all. The four areas of concentration in this report are: a draft operations manual; operations of overseas offices; standard operating procedures; and training for the ECS officer corps.

Key recommendations follow:

- With guidance from the Minister, ECS officers should be empowered to develop a statement of mission, vision, values and functions.
- Based on the above, ECS officers would then draft their own Operations Manual, implementing a performance-based business-oriented approach to commercial representation, complete with procedures designed to serve their clientele as well as to organize their offices;
- They would also design a resource allocation matrix that quantifies the value to Egypt of each existing and potential overseas office, which would be presented to the Minister for his approval regarding overseas staffing;
- Their reporting would shift from benefiting government to benefiting the exporter and investor;
- They need additional practical training, on-the-job coaching, and distance learning;
- Implementation needs to start now, concurrent with the IT projects and in continued coordination with the other donor nations.

Deliverable 1

This deliverable requested detailed comments on the draft Operations Manual for ECS.

BACKGROUND ON THE DRAFT OPERATIONS MANUAL:

The Egyptian Commercial Service (ECS) wishes to engage in a strategic reorientation at home and abroad in promoting Egypt's exports and in attracting foreign investment. ECS management and most officers interviewed are convinced that they need better outreach to exporters and importers, more effective trade promotion techniques, the daily usage of information technology to track and respond to inquiries, and a performance-based business-oriented culture within the organization. Much intellectual capital and time are being expended in writing plans and proposals within the ECS, which is both salutary and necessary, but there is also palpable but understandable unease about upcoming changes in functions, locations, budget, and personnel.

One of the ways to successfully go about changing an organization is to draft or modify an operations manual, and thus the ECS requested ATR assistance in reviewing a draft prepared by a local contractor. The document is very strong in proposing document flow charts within ECS, and meets an internal ECS objective of moving from a paper-based process to one that is IT-based.

ECS IT personnel have already reduced essential reporting documents from over twenty to just eight. ECS also prepared an "Objectives and Tasks" briefing for the Minister of Foreign Trade and needs feed-back to implement their proposals. ECS' Dept. of Information and Export Services also prepared draft Institutional Development Plans for several departments and units that await feedback from the First Undersecretary.

Other departments and units have drafts for consideration in various stages of development that may help in fostering institutional development.

DISCUSSION ON THE DRAFT OPERATIONS MANUAL:

All of these potential institutional development issues will affect the nature and the substance of an operations manual, requiring numerous revisions. Consequently, a modular approach is suggested, with the manual taking shape as a web-based document to be revised by the competent departments and units after a small lead team of motivated personnel take the first steps. It is suggested that the team should consist of one officer each from the senior, middle, and junior officer corps, supplemented by a substantive expert from the affected department or unit, and a consultant or consultants from ATR.

RECOMMENDATIONS ON THE DRAFT OPERATIONS MANUAL:

- A detailed outline of a new operations manual is attached, and feedback is requested so that work may begin without delay;
- There should be several modules in concurrent development at any given time;
- Drafts should be posted for review and comment;
- Management should set deadlines for finalization based upon recommendations from the team;
- Some early "wins" are suggested, meaning that easier modules should be developed first;

- The First Undersecretary is requested to seek the Minister's feedback and guidance on levels of staffing and funding and on expected results;
- The ECS should prepare a matrix showing costs and optimal locations for the Minister's endorsement;
- Coordination with similar European Union activities is needed at all levels; ATR, Office of the Minister, and ECS;
- the First Undersecretary is requested to provide feedback on the Institutional Development Plans;
- Departments and units are requested to finalize and submit any drafts for consideration with the least possible delay.

Deliverable 2

This deliverable entailed a series of meetings/workshops with the staff of ECS regarding the operation of overseas offices through which consensus on functions and standard operating procedures were to be developed.

BACKGROUND - OVERSEAS OFFICES

The ECS currently has 62 overseas offices, (6 in North America, 1 in South America, 20 in the European Union, 5 in Eastern Europe, 14 in Arab countries, 11 in Asian countries, and 5 in African Countries). Officers feel that they are under-staffed and under-funded to carry-out the assigned tasks of commercial diplomacy, export promotion, and attracting investment into Egypt. (Note: Some offices in major markets are also tasked with finding specific imports for Egyptian governmental agencies. This import procurement function may be dropped from the ECS requirements.) ECS management is aware that the Minister and his advisor feel the same, and that some sort of adjustment of overseas offices is contemplated and imminent. Officers at all levels feel that rather than a contraction, the ECS and the Egyptian exporters would be better served by an expansion of overseas offices. They believe that expansion should include Egypt's major trading partners as well as potential new markets that offer high prospects for growth of exports. The Minister and/or his advisor may decide to exercise their prerogative to decide where the offices should be, but this would have a detrimental effect on morale within the ECS, and may spur a negative reaction from the Egyptian exporting community. Some officers even suggested that being integrated by the Ministry of Foreign Affairs would be more beneficial than "death by a thousand cuts".

DISCUSSION ON OFFICES

Most officers are concerned about diminished future prospects for serving overseas if offices are cut, but some offered distinctly different scenarios:

- Status Quo – in which funding and staffing remain about the same
- Sharp Reduction – in which offices are reduced to the top twenty or thirty trading partners, and in which some countries may have regional offices
- Gradual Reduction – in which Egypt's commercial presence overseas diminishes over time, with concomitant reduction in staffing and budget
- Integration with the Ministry of Foreign Affairs – in which the MFA takes over the functions of the ECS, absorbs personnel and budget, closes independent offices, and thereby reducing leasing and other infrastructural support costs. (Note: not recommended by this consultant. World-class commercial services learned long ago that they and their exporters require a dedicated and specialized corps with a different set of skills from that of Ministries of Foreign Affairs.)

The most likely scenario is that the ECS budget and personnel numbers will remain about the same, but that there will be a significant reduction in the number of offices overseas. Perhaps some offices will be given regional responsibilities, along with staffing and budgeting sufficient to ensure travel to other nations, or to important markets within a large country. There have been at least two efforts towards drafting a resource allocation matrix to rationalize the selection of optimal locations for the ECS overseas, but none has yet been

approved by management. There is potential that future offices could be better staffed and more effective if the number of locations was to be reduced.

RECOMMENDATION ON OFFICES

The Minister should inform ECS of the level of personnel and budgetary resources ahead, and offer general guidance on the expected results for the benefit of Egyptian exporters and the economy as a whole. For example, the Minister might issue guidance that he seeks quarterly summary reports of ECS export and investment successes that should reach a certain total or percentage at the first, second, and third years after a reorganization of overseas offices. The ECS should then be empowered to use a resource allocation matrix to determine and recommend where offices should be located that will yield the desired benefits in trade and investment. (Suggestions on possible components of such a matrix are contained in Annex 2.)

BACKGROUND ON FUNCTIONS

The officer corps is still smarting from the loss of part of the negotiations portfolio to a unit within the Ministry under a prior Minister. Many officers feel that the loss was a significant one, and that management should attempt to regain it for the ECS.

There is general consensus that the other functions - commercial diplomacy, export promotions, and promoting investment - should remain within ECS, and there seems to be no indication from higher authorities that these functions are likely to depart. The import rationalization function seems to have declined in significance as Egypt has adopted most WTO disciplines and has opened the economy in recent years. Some significant non-tariff barriers remain, (such as red-tape requirements of some 28 to 42 signatures for an import to clear). However, the ongoing process of liberalization is made clear by the fact that Egypt imports about \$14 billion and exports about \$ 8 billion, leading to a balance of payments problem, which exporters, aided by the ECS, can help to alleviate.

Meanwhile, a small cadre of dedicated ECS officers has developed a plan to streamline functional reporting by reducing them to 8 reports from approximately 20, and moving them from a paper-based to an IT-based delivery system that is being developed with the assistance of ATR and some other contractors based in Egypt.

DISCUSSION ON FUNCTIONS

It is unlikely that the trade negotiations portfolio will be devolved to ECS, but there is still the reporting function on trade barriers that must be handled from abroad. From that function a new opportunity is presented: it is one that most major trading nations entrust to their commercial diplomats – trade barrier and trade opportunity reporting. Negotiators use this information, but most importantly the Egyptian business community would benefit greatly from learning which markets have barriers to their offerings and which do not. This saves time and effort on the part of potential exporters, and can lead to the creation of another useful report - the best markets for a certain sector of goods or commodities. In addition, the ECS would match other world-class commercial services if it were to focus almost entirely on better reporting of direct use to the business community. Currently, the bulk of ECS reporting is for internal governmental use.

Structured formal reports on sectors and markets, supplemented by informal spot reporting, would greatly enhance the usefulness of reporting to ECS clientele. Meetings each year with

certain leaders of sectors, commodities, and trade associations would assist ECS in selecting reporting needs that are likely to lead to export successes. Officers overseas and trade specialists serving in Egypt should be encouraged to report directly to exporters and to firms that are getting ready to export.

Concurrently, of course, the ECS will still need to keep their Ministry colleagues informed through established governmental reporting channels. For example, the Egyptian equivalent of a national trade estimate should have ECS inputs from overseas offices. Also, ECS still needs to contribute to reports of the ministry's BMA Sector that handles bilateral and multilateral agreements. (Note: ATR is assisting BMA with these reporting functions.)

The export promotion function has already been thought-through by ECS personnel. The forms to be used and the IT projects to deliver these functions are to be implemented (with ATR assistance) over the next several months. Likewise, the investment promotion function has also been thought-through, and forms have been developed.

RECOMMENDATION ON FUNCTIONS

Existing functions of overseas offices will need to be strengthened through a combination of reporting, reorganization, "road shows" and "reality checks". The chart below provides some essential reporting that the ECS should provide.

ESSENTIAL REPORTING FUNCTIONS

Function	Beneficiary
<i>Commercial Diplomacy</i>	
-Country Market Reports	Exporter/Potential Exporter
-Sector Reports	Exporter/Potential Exporter
-Trade Barrier Reports	Exporter/Potential Exporter
-Spot Reports	Exporter/Potential Exporter
-Classified/Sensitive Reports	Government
<i>Export Promotion</i>	
-Trade Opportunity Reports	Exporter/Potential Exporter
-Exporter Record/Report	Exporter/Potential Exporter
-Trade Event Report	Exporter/Potential Exporter
<i>Investment Promotion</i>	
-Investor Report	Economy/Employees
-Investment Opportunity	Economy/Employees

(Notes: The commercial diplomacy reports are to be regularly produced by all overseas offices. The number of sector and spot reports should be determined by the best markets and by the level of staffing. The export promotion and investment promotion reports are determined by supply and demand in an overseas office, but regional directors should set minimum acceptable performance goals for the offices under their supervision.)

Most importantly, it is obvious that a cadre of trade specialists will need to be formed to take on the essential function of getting Egyptian companies ready for export, particularly the small and medium-sized firms. These trade specialists should work within the ECS so as to

form a seamless client management and delivery system. It would link potential exporters to trade specialists in Egypt and then to officers overseas who can deliver the needed information, contacts, access, and following-up that leads to export successes. ECS officers on domestic tours of duty (or new to the Service) could benefit directly from working directly with Egyptian companies in a counseling role, in coordination with their EEPC colleagues. (Note: The U.S. Commercial Service requires a minimum two-year tour of duty in a domestic office for new officers, and many other world-class commercial services do the same.)

If this course of action is followed, coupled with the IT-based changes already underway, the following functions would most likely result in a seamless delivery of valued services to the Egyptian exporter or potential exporter, and would transform the ECS into a client-based and success-driven service:

World-class commercial services regularly organize “road shows” or outreach to their clients, usually to major cities at home and to a few cities abroad. The purpose is to hear how clients and their overseas customers evaluate the effectiveness of functions provided, the efficiency of the units that provide them, and the results that flow from them.

Many then hold internal but off-site meetings (to avoid distractions) to review findings and to change functions to meet new needs or to discard functions that no longer are wanted by the clients or that no longer yield results. At a minimum, a world-class commercial service will undertake such reviews in a five-year cycle that will take them through all of the functions that the service provides. Annual performance statistics help to give management some “reality checks” on the functions that are growing and those that are languishing, and thus may need adjustment or abandonment.

BACKGROUND ON STANDARD OPERATING PROCEDURES

A local contractor recently prepared a workflow document for all essential ECS reporting. As mentioned earlier, a team in ECS successfully reduced the number of such reports from over 20 to 8. Coupled with these initiatives, a draft Operations Manual has been offered by this consultant for review. It contains all of the key elements of standard operating procedures (SOPs) that would implement the desired commercial diplomacy, export promotion, and investment promotion functions that are required for a modern commercial service. (Please see Annex 1.)

Further drafting and implementation of the Operations Manual by a dedicated team of ECS officers will hopefully ensure that the desired changes in the structure, functions, and SOPs will yield benefits for exporters for years to come, while also providing clarity and objective performance measures for ECS officers and staff.

DISCUSSION ON STANDARD OPERATING PROCEDURES

In any organization the introduction of standard operating procedures can cause a period of uncertainty and anxiety for those affected. It is also a time of opportunity, when new features are introduced that are meant to reduce bureaucratic red-tape, and to improve quality, timeliness, and usefulness to the clientele. So it is for the ECS. Change from paper reports to IT-delivered ones will be a challenge for some ECS people and an opportunity for others who are already comfortable with IT.

There is also the prospect that not all of the ECS clientele will be ready to receive trade opportunities and other reporting delivered via the internet. The ECS will have to consider

other means of delivery for such clients, and implement an SOP that is suitable for their needs; it could be via fax, for example. However, it is probably fair to say that any Egyptian company that does not have internet capability is unlikely to prosper in the international marketplace, and thus the ECS may not find such a company “export ready” until such capability is available for use.

RECOMMENDATIONS ON STANDARD OPERATING PROCEDURES

In general, standard operating procedures (SOPs) work well when people find them to be logical, easy to use, and effective in delivering the desired results. Within the ECS, it is recommended that a dedicated team of people from all affected levels should be involved in the planning, implementation, and delivery of services via SOPs. It is also essential that management regularly review the performance of SOPs in terms of quality, timeliness, and effectiveness with their clientele. Finally, it is recommended that an annual internal review of SOPs be implemented for all of the ECS to ensure better coordination and feedback among internal users.

Deliverable 3

A detailed work plan with deadlines for the development of the necessary headquarters systems for the implementation of the standard operating procedures in the overseas offices

BACKGROUND ON HEADQUARTERS SYSTEMS FOR OVERSEAS OFFICES

Interviews with ECS officers of all ranks reveal that the officers serving overseas have had to largely respond to inquiries and report to headquarters using more than 20 paper-based reporting formats. Other than these formats, there have been few standard operating procedures for overseas offices, except for a few basic administrative ones.

Geographical and functional offices within ECS headquarters manage workflow, but personal relationships between directors and overseas officers have been much more important than any standard operating procedures or objective performance criteria. As mentioned in other sections of this report, the ECS is now implementing a strategy (with the assistance of ATR) to move to an IT-based reporting, tracking, and follow-up system. This IT initiative, coupled with a clear client focus within the operations manual, can form the basis for the development of the standard operating procedures and objective performance measurements that ECS wishes to have in place.

DISCUSSION ON HEADQUARTERS SYSTEMS FOR OVERSEAS OFFICES

The Team Leader for IT within ECS and the ATR consultant have agreed upon a 90-day implementation period for the initial systemic changes followed by another 90-day period for migration, and then a 180-day period for systemic improvements. Concurrent schedules for implementation of standard headquarters systems that flow from work on the draft Operations Manual, personnel and financial handbooks, etc., would make a lot of sense, and would give ECS management realistic goals to attain.

ECS management would have to approve a number of teams who would draft and report to the lead team mentioned in earlier in this report. Drafts would need to be posted or circulated for review by affected headquarters departments and units, and revisions made as the drafts progress toward final approval. Stakeholders in the desired outcomes and deliverables (such as exporters, trade associations, internal users, etc.) would also need to be consulted once drafts are sufficiently advanced.

Directors of geographic and functional departments will need to implement goal-setting, mid-course counseling of officers, and annual performance evaluations via objective performance evaluation systems. This will entail significant supervisory changes on their part.

In sum, all officers and staff would be held accountable for the services rendered by the ECS to their clients; all would receive work plans based upon objective performance criteria; the standard operating procedures would guide them in ensuring that all compete equally at their ranks.

If these changes are implemented, the ECS will be well on the way to ensuring an acceptable level of quality in the work that they do for exporters and investors, and their work will soon be on a par with other world-class commercial diplomats and trade promotion offices.

RECOMMENDATIONS ON HEADQUARTERS SYSTEMS FOR OVERSEAS OFFICES

- The First Undersecretary should approve the concurrent drafting of the Operations Manual with the implementation of the IT plan during an initial 90-day period
- The First Undersecretary or his designee should name teams to assist the lead team in drafting selected chapters and handbooks
- The lead team should designate key chapters for early development and posting for comments
- Each team should be empowered to bring-in others who have a stake in the outcome to make appropriate contributions
- Close coordination will be needed between the lead team for the Operations Manual and the lead team for the IT system to ensure that the two are compatible in all respects so that the headquarters systems work as planned
- ECS management will need to encourage all personnel to embrace a performance-based system based upon objective criteria that benefits exporters and investors
- Annex 3 to this report can serve as a guide to implementation.

Note: The following guidance was provided by the Minister's Advisor and could serve in lieu of annex 3, or the best features of each could serve as guides for the lead team:

“PROPOSED REFORM

Create common mission and vision

Concurrently undertake institutional development plans and restructuring of offices abroad.

The institutional development plans to include:

- Create HR and training department
- Restructuring inspection department
- Modernizing ECS through IT
- Create ECS operation, evaluation, and incentive manuals
- Seek stakeholders inputs and feed back on services

The restructuring of offices abroad includes:

- Redistribution of offices
- Office activities specialization
- Focused personnel selection

Restructuring offices abroad -1

Redistribution criteria:

Economic Indicators:

GDP per capita, total country imports, Egyptian exports, FDI outflows, etc.

Existing trade patterns and agreements:

-U.S: QIZ, TIFA, proposed FTA

-E.U: Partnership Agreement

- Arab Countries: Agadir, PAFTA
- Other high potential export markets
- Political factors

Restructuring offices abroad-2a

Justification:

Level of effort required at each office is quantified based on:

- export promotion weight (0 to 4 points)
- commercial diplomacy weight (0 to 4 points)
- investment promotion weight (0 to 2 points)”

Consultant’s comment on the weights: It might be advisable for the export promotion weight to be higher than the other two, if the ECS focus is to be on export successes.

Deliverable 4

Review the current ATR training plan for ECS in light of the recommendations regarding the manual and headquarters system and provide recommendations for further additional training modules that may be needed.

BACKGROUND ON TRAINING

While this consultancy was underway, ATR was holding a six-day training and orientation program for junior and middle-ranking officers of the ECS. The course effectively covered the gamut of issues, starting with an overview of the strategy of the Ministry of Foreign Trade to promote exports and investments. It then moved through the experiences and expectations of management, clients, partners, and multipliers, and onto practical aspects of commercial diplomacy, trade and investment promotion, and commercial tradecraft tips from experienced practitioners. The ECS officer participants were attentive, eager to learn, and forthcoming with their questions and comments. The speakers and facilitators were experts in their fields who shared their knowledge, values, and practical tips with the officers.

To add to this training program, ECS management is expected to shortly reply to ATR's list of additional training modules for the year ahead. ECS management has already defined, in general terms, the training topics that it would like to have covered for technical staff, attachés, middle managers, administrative staff, and researchers. (Note: technical staff and researchers seem to be analogous to trade specialists in the U.S. Commercial Service.)

DISCUSSION ON TRAINING

It is clear that a firm commitment to training for ECS officers has been made at the highest levels of management, and that training is being delivered so far to a receptive and motivated audience. However, the ECS will be competing against many other commercial diplomats, and they need to be prepared with the knowledge, skills, and practical abilities that are extant in other commercial services. To that end, they have engaged in a systematic re-engineering of the ECS, coupled with a transformation from a paper-based to an IT-based reporting and delivery system, and ATR is assisting them in these endeavors. Also, many of the junior and middle-ranking officers already have private sector experience, which is a significant advantage for commercial officers of any nation. The key now is to build upon what ECS officers know by adding, in essence, commercial tradecraft courses – the basic, intermediate, and advanced skills that make world-class, effective, and efficient officers who yield results for their clients and their country.

RECOMMENDATIONS ON TRAINING

There is much work to be done on the draft ECS Operations Manual, and only ECS officers and staff can build upon the suggestions and examples that have been provided. Since the Operations Manual is to be a practical and results-oriented guide for the people of the ECS, it makes sense to implement on-the-job training in policies, procedures, practical tips, key contacts, etc. by using in-house talent.

They shall be expected to draft, post for comments, finalize, and implement the Operations Manual. This will also give ECS officers and staff a much-needed sense of “ownership” in a

time of significant change in their chosen careers. By the same token, on-the-job training via drafting can also be used for the proposed resource allocation matrix, the generic job descriptions, the personnel handbook, the financial handbook, and any other professional resource guides that the ECS may choose to develop. Skilled coaches from ATR, both short- and long-term, should be available to the drafters during the drafting and implementation phases.

Next, the ECS should contract with a major supplier to provide distance learning materials for professionals. The reason is clear; the officers and other professionals of the ECS at the junior and middle grades are already adept at using IT, they are eager to learn more, and if they are to be competitive with other nations' commercial services, they need these training materials now. This is particularly true of the ECS officers in overseas posts. It is not cost-effective to bring them all home to Cairo for practical coursework, so they should all be provided with distance learning opportunities via the internet. A course or two will also need to be tailor-made for the ECS so as to instill core competencies across the entire organization. Training topics that need to be covered include: the ECS' basic standards in market research and analysis; information product development; client management; outreach and partnering skills; developing and delivering value-added services, and tracking and reporting export and investment successes.

Finally, ATR should assist the ECS in the implementation phase by providing skilled coaches, both short and long-term, to focus upon the practical aspects of commercial tradecraft that will yield results. ECS personnel have already learned enough from academic experience and from classroom work; it is now time for them to roll up their sleeves with their coaches and get busy working with exporters in Egypt, multipliers and partners who assist the ECS in their mission, and importers and trade associations abroad to garner some early "wins" from their efforts. Examples include: Practical one-on-one counseling of Egyptian companies, with companies that are willing; drafting of reports on sectors and commodities with export potential along with trade associations and commodity councils that are willing partners of the ECS; drafting and disseminating sector and best market reports from overseas offices; actual counseling of importer, exporter, and investment companies from overseas offices. In addition, coaching sessions within ECS headquarters should focus on actual implementation of such things as: performance plans for overseas offices; objective evaluation procedures for individual officers, turning generic performance plans into specific ones; editing of reports for use by Egyptian firms, partners, and multipliers; practical aspects of critiques of performance; writing regional plans; evaluating regional directors; and practical aspects of management of performance-based organizations.

Deliverable 5

During the period of this consultancy it was not possible to meet with USAID staff due to other commitments that they had. However, I did meet with Ambassador David Welch, Commercial Counselor Jim Joy, and Commercial Attaché Christina Sharkey.

Deliverable 6

With the strong support of ATR, and with additional support being provided by other donor nations, the Egyptian Commercial Service is poised to start an extensive strategic reorientation, of which this report is but one small part. The upcoming headquarters move, coupled with an IT system that will be state-of-the-art, (thanks to USAID and ATR) make this an unprecedented time of change for ECS personnel. It is probably unmatched since the founding of ECS in the 1950s.

This consultant came away convinced that the ECS officer corps has both the will and the motivation to move forward with these and other changes that they need to undertake to become world-class in their chosen profession. They will undoubtedly need some technical assistance in the days and months ahead, due primarily to the complexity of today's trading environment and the sweeping nature of their strategic reorientation. However, I am convinced that the ECS and their clients will be best served if the primary drafting of their manuals, handbooks, standard operating procedures, etc., are done by themselves.

During the drafting of this report, the Chief of Party and I spent considerable time in coordinating meetings with the other donor nations' representatives, particularly the European Union, and we gave them a detailed briefing prior to my departure. The prime reason for these meetings was to ensure that all representatives work to their respective strengths, and that we do not duplicate efforts nor needlessly interview or burden ECS personnel. The Minister's Senior Advisor and the Team Leader within ECS were delighted with this initiative, and recognized the benefits that would flow from such coordination of efforts. The representatives of the E.U. and Japan also considered that this would be to the benefit of all, and I am confident that further coordination meetings will help to ensure a successful outcome. The Minister's Senior Advisor hosted the last such meeting, and he indicated that he will continue to do so for the foreseeable future.

Numerous meetings were held with ECS leadership who were charged with this strategic reorientation. In fact, most working days not devoted to drafting were spent at ECS headquarters meeting with ECS leadership, as well as with members of the ECS at all ranks who made themselves available for interviews and discussions. These discussions were uniformly pleasant, informative, and useful in the development of this report. I extend warm thanks to all who contributed their ideas and their time.

Most generous with their time and guidance were: Chief of Project Dr. Timothy Buehrer; Abdel Wahab Heikal, formerly of the ECS, and now Senior Trade Specialist for ATR; and Ali El-Hariri, of ECS. Nagui El-Fayoumi, Senior Advisor to the Minister of Foreign Trade and Industry gave generously of his time and provided his ideas that have been noted in this report. However, I am solely responsible for the content, and unless otherwise noted and in quotation marks, the ideas in this report are my own.

Strong administrative support and guidance were provided by Victoria Waite, Ilaha Gadjieva, and Nanice Taha, all with ATR. I am grateful for their fine support.

Annex 1

OPERATIONS MANUAL – EGYPTIAN COMMERCIAL SERVICE

(NOTE: This manual is to be web-based so as to be accessible to all ECS people, and to ensure that revisions are made expeditiously during the ECS' strategic reorientation.)

OUR MISSION

(Examples: **Note: The following guidance was provided by the Minister's Advisor-**
"Promote Egyptian exports, investment, and protect business interests abroad." The Egyptian Commercial Service serves our nation by enhancing our economic, commercial, and industrial growth at home and abroad. We serve our businesses, and we become their adjunct staff at home and abroad to advance their commercial objectives. We recognize that a willing buyer and seller are the key actors in any transaction, and that we add our talents and energies as intermediaries and facilitators to a successful business relationship. We also use our good offices to seek out investors for Egypt, recognizing that the attraction of new investment contributes to the advancement of our technological base and generates employment for Egyptians.)

OUR VISION

(Examples:

Note: The following guidance was provided by the Minister's Advisor

"To become:

World-class export and investment promotion agency

Customer-oriented and demand-driven organization

Results-oriented focused organization

Technology-driven organization

Integrated with other MFTI sectors

Specialized body by building capabilities, competence, and trust"

OUR STRATEGY

(Example: We will position our personnel and other resources in Egypt and in markets abroad where we will maximize the prospects for exports and investments for Egyptian companies. We will also improve the timeliness and effectiveness of our services through the use of partners, multipliers, and IT. Note: add more strategies, if appropriate.)

Note: The following guidance was provided by the Minister's Advisor

"OUR OBJECTIVES

1. EXPORT PROMOTION

2. INVESTMENT PROMOTION

3. COMMERCIAL DIPLOMACY

1. EXPORT PROMOTION

- Implement export marketing strategies
- Analyze foreign markets to identify opportunities and threats
- Research and market studies on country, sectors, and commodities
- Execute trade promotion campaigns and missions
- Supply needed information to industry and to Egyptian exporters
- Link Egyptian exporters with foreign importers and suppliers
- Get stakeholder inputs and feedback on services
- Publish specialized reports (trade, exports, events, etc.)

2. INVESTMENT PROMOTION

Assist Ministry of Investment and GAFI in:

- Implementing investment promotion strategies and campaigns
- Building positive corporate image for Egypt
- Providing studies and experience gained from investment promotion models worldwide
- Encouraging FDI inflow to Egypt and enhance cooperation between foreign and Egyptian investors
- Issuing investor and investment opportunity reports

3. COMMERCIAL DIPLOMACY

- Protect Egyptian economic interests abroad
- Trade negotiations and follow-up
- Trade Dispute Settlement
- Representation at international organizations
- Coordinate and represent interests of other Egyptian ministries abroad
- Initiate and follow trade agreements with other countries
- Issue market, sector, trade ...etc. reports
- Networking with officials and organizations in host countries"

OUR TASKS

A. PROMOTING EGYPTIAN EXPORTS OF GOODS, COMMODITIES, AND SERVICES

B. RATIONALIZING EGYPTIAN IMPORTS

(Note: This objective may no longer be appropriate, so discussion is requested with senior management. If a substitute task is needed, the ECS should consider this example – Our task is to grow Egyptian exports at no less than 3 percent per year, with particular emphasis on small and medium-sized companies.

C. ATTRACTING FOREIGN INVESTMENTS

D. REPRESENTING EGYPT AT INTERNATIONAL AND REGIONAL ORGANIZATIONS AND EVENTS

E. ADVANCING EGYPT'S ECONOMIC AND COMMERCIAL INTERESTS

OUR FUNCTIONS

- **COMMERCIAL DIPLOMACY**
- Country Market Reports

- Sector Reports
- Trade Barrier Reports
- Spot Reports
- Classified/Sensitive Reports

- **EXPORT PROMOTION**
 - Trade Opportunity Reports
 - Exporter Record/Report
 - Trade Event Report

- **INVESTMENT PROMOTION**
 - Investor Report
 - Investment Opportunity

1. OUR VALUES

Note: The following guidance was provided by the Minister's Advisor:

“To provide customers and partners with most effective and timely services.”

(Examples: We value our clients, their customers, our multiplier partners, and our relationships with them. We strive always to provide them with thorough, effective, and timely service so that they may grow their businesses and thereby enhance prosperity in Egypt. We value international understanding and friendship through trade and investment. We seek to expand our skills and experience to improve our service to the business community.)

2. OUR STRUCTURE AND RELATIONSHIPS

(Note: Insert diagrams of the structure of the Ministry, of ECS and brief descriptions of each major department or unit, as appropriate)

Ministry of Foreign Trade and Industry

Minister's Office

Foreign Trade Policies Sector

Trade Agreements Sector

Egyptian Commercial Service

Research Sector

GOIEF

GOIEC

Other Entities

Egyptian Commercial Service

Office of First Undersecretary

Technical Office

Arab Countries and Islamic Organizations Department

Americas Department

European Union and Western Europe Department

Asian and Oceanic Countries Department

European Affairs Department

African Countries and Organizations Department
International Organizations Department
Information Technologies and Export Services Department
Human Resources Department (being developed)
Planning and Development Department (being developed)
Overseas offices, locations

(Describe ECS relationships with exporters, investors, industry, and with other government ministries and agencies. Describe also any internal customers for the services that ECS provides. Example: are ECS market reports routinely shared with the Ministries of Finance and Foreign Affairs?)

EXPORT COUNSELING, EXPORT ACTIONS, AND FOLLOW-UP

3. ASSESSING A COMPANY'S EXPORT READINESS

(Examples: Is management fully committed to exporting; does the company already export to similar markets; does the company have the financial strength, or can it obtain loans or grants, if needed; does the company have awareness of their competitors; does the company have marketing materials in foreign languages, or can ECS assist in translating from Arabic; is the company aware of any potential export barriers, such as standards, marking and labeling requirements, or non-tariff barriers that could hinder such exports, or can ECS assist in obtaining such information? Provide a brief overview of export counseling functions, the export counseling responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who handle these matters.)

4. EXPORT STRATEGIES AND TACTICS

(Examples: The company's strategy for exports - Does the company want to export directly to importers; would wholesalers, distributors, end-users, agents or representatives serve them better? Would it make sense to establish a marketing partnership, joint venture, or subsidiary? Tactics – would it be appropriate to plan a single company mission to the target market, or should ECS do the research first?

Would a trade mission with other companies in the same sector be effective, or would participation in a trade fair serve them better? Provide further brief examples of strategic and tactical methods used in the ECS, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who handle these matters.)

5. MARKET RESEARCH

(Examples: What has the company done so far in researching markets and what can ECS add from market research archives or on-line? Is detailed market research needed, or are spot reports sufficient to fill gaps in knowledge? What are the key questions that company management needs to have answered, and how fast? Can ECS deliver the needed information by the due date? Provide further brief examples of market research methods used in the ECS, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who handle these matters.)

(Note: Some of the ECS offices have provided tailored market research for clients, but the service is not wide-spread. ECS management should determine the potential demand and then decide whether or not to add such a service. Most world-class commercial services either do it with trained in-house talent or contract outsiders to fulfill the requirement.)

6. TRANSPORT, CUSTOMS, AND STANDARDS ISSUES

(Examples: What experience has the company had in these areas? What are the customary and cost-effective transportation routes to market? Should the company consider another route or mode of transport, based upon ECS experience? Have there been bad experiences with Customs, and has a trial shipment been sent? Would it be useful for ECS to visit Customs on behalf of the company, and alert them that ECS will monitor a test shipment of the goods? What standards has the company met, and are they sufficient for this market? If more are needed, can ECS supply the details on obtaining compliance certification? Provide further brief examples of market access methods used in the ECS, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who handle these matters.)

7. FINANCING ISSUES

(Examples: Does the company have a correspondent bank in the market, or can ECS suggest one? Has the company worked with letters of credit, or can ECS brief management on this? What terms does the company usually provide, and is it suitable for this market? What terms do competitors typically provide, and can the company match these terms? Should the company use a factoring agency, financing company, or other intermediaries, and can ECS provide information on such service providers? Provide further brief examples of financial counseling used in the ECS, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who handle financial matters.)

10. ASSISTANCE TO SERVICES COMPANIES

(Examples: Does the company have experience in similar markets, and does it know if there are competitors? If not, can ECS provide competitor information, including prices for comparable services in the market? Is the company aware of the legal basis for services companies, or can ECS obtain the information? Does the legal basis require licensing or accreditation? Are there bonding or insurance requirements? Can the company use Egyptian staff, or must local hires be trained? Are there any non tariff barriers to entry? Provide further brief examples of services counseling used in the ECS, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who handle services issues.)

CLIENT MANAGEMENT

1. RESPONDING TO INQUIRIES

(Examples: It is the policy of ECS that we respond directly to inquiries within one business day, providing an interim response if more time is needed to research the inquiry. It is also our policy that we use the fastest and most efficient way to respond to the company, which means either via email or telephone, keeping a record of our reply in the client's electronic file. It is also our policy that ECS Headquarters shall be copied on any reply of substance, so that the appropriate staff may follow-up to lend assistance to the exporter in meeting the company's needs via effective teamwork. An electronic file shall be maintained open until the company has obtained an export success, and we shall then propose other markets for the successful exporter. Provide further brief examples of client management used in the ECS, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who handle client management issues.)

2. INITIATING CONTACT

(Examples: It is the policy of ECS that an electronic file shall be opened for each company that we contact, whether overseas or in Egypt, and that the file shall remain open to the ECS Team until export success is achieved. If the company agrees, we shall consider this company as a client of the ECS until export success is achieved or until the company no longer wishes our services. We will follow-up with the client company on a regular basis, providing information of value to the potential exporter. Provide further brief examples of client contact initiation used in the ECS, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who handle such issues.)

3. AGREEMENT TO ACTION

(Examples: We shall act always in conformity with the company's wishes in pursuing export successes, and we shall act as though we are the company's adjunct Team in overseas offices and in ECS Headquarters until an export success is achieved. We shall prepare a brief agreement (typically no more than a few lines of text in our electronic file) which shows what we propose to do for the company and how long it will take. We will revise this plan of action with the company as needed by market conditions. We shall keep this plan of action open until we have fulfilled our commitments to our client, or until our client indicates that the company no longer requires our services. Provide further brief examples agreements to action used in the ECS, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on action agreement issues.)

4. TARGETING CUSTOMERS FOR OUR CLIENTS

(Examples: We will research the potential customers for our clients by visits to multipliers such as trade associations, chambers of commerce, bankers, insurance agencies, transport companies, importers, end-users, exhibitors, department stores, and wholesalers. We shall study the local market for opportunities to introduce Egyptian goods and services, and report these opportunities to our clients. We will introduce new products and services to potential customers who have already had experience importing goods from Egypt. Provide further brief examples customer targeting used in the ECS, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on customer targeting issues.)

(Note: the ECS does not have a program for doing background checks on companies at home or abroad. As this is a vital function for any world-class commercial service, management should consider adding this function at home and abroad. For example, some commercial services use Dunn & Bradstreet via a global contract.)

5. TIME OUT OF OFFICE

(Examples: It is the policy of ECS that a minimum of one-third of a work day each day shall be spent outside of the office in making new contacts or in meeting with old contacts who advance Egypt's commercial and investment interests. It is also our policy that these contacts shall be reported using the electronic form, and shall remain open until success is achieved. All of the ECS shall have access to the electronic form so as to use other marketing techniques to advance our commercial interests. Provide further brief examples of time out of office by ECS officers, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on this matter.)

6. DELIGHTING OUR CLIENTS AND THEIR CUSTOMERS

(Examples: The ECS strives to delight our clients and customers by providing timely, complete, and value-added information that help to advance Egypt's commercial interests and the prosperity of the companies with which we have a relationship. We strive to delight our clients by providing not only the information requested, but also more substantive information than requested that will enhance the client's knowledge of the market. We also strive to provide the information even faster than promised, well aware of the fact that "time is money" and "our competitors never sleep". We build relationships with our clients and customers that reflect well on the ECS and Egypt, and we honor their assistance to us via appropriate recognition in the form of thank-you notes, invitations to receptions and trade and cultural events, frequent visits by us, and other appropriate relationship-building techniques. Provide further brief examples of delighting customers by ECS officers, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on this matter.)

7. WORKING WITH PARTNERS AND MULTIPLIERS

(Examples: Similarly, we strive to build long-lasting professional relationships with partners and multipliers in target markets. We provide them with useful substantive information, we value their work through appropriate recognition and invitations to events, and we call upon them frequently to show our respect for their work in advancing Egypt's commercial interests. Provide further brief examples of working with partners and multipliers by ECS officers, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on this matter.)

8. REPORTING OUR SUCCESSES

(Examples: It is the policy of ECS that we report our export successes on behalf of our clients, always mindful that the client must approve the report, and that we must exclude any business confidential information that the client considers inappropriate. We must provide the client's contact information on the electronic form and we must give credit to the members of the ECS Team and others who helped to make the export success possible. We also seek the permission of our client to publicize the success on our website or elsewhere, so as to attract more Egyptian exporters to use our services, but we will respect the wishes of our client if no publicity is wanted. In such cases, we shall merely report internally within ECS for quality control and other appropriate internal processes. Our management recognizes our successes and also disseminates them to other ECS offices to stimulate best practices. Provide further brief examples of success reporting by ECS officers, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on export success reporting.)

9. MANAGING TRADE EVENTS

(Examples: It is the policy of ECS that trade events shall be handled similarly to all other client management activities. It is also the policy of ECS that such events must reflect favorably on Egypt by adhering to the high standards of professionalism, image, and advancement of our international commercial interests. Trade event staff and delegation leaders are also held accountable for large financial outlays, and must use skill, integrity, and discretion in their use for the sole benefit of our exhibitors and delegation members. Provide further brief examples of trade event management by ECS officers, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on trade event management.)

(Note: The two functions below may require separate handbooks by experts in trade event management if the expertise does not reside within ECS.)

A. INTERNATIONAL EXHIBITIONS

(A handbook is required)

DELEGATIONS AND VISITS

(A handbook is required)

10. MANAGING TRADE COMPLAINTS

(Examples: It is the policy of ECS that trade complaints shall be resolved as quickly as possible, and at the lowest appropriate level. Trade complaints have the potential to damage the reputation of Egypt, and not just the company involved. The responsible ECS officer shall meet with the complainant promptly and attempt to resolve the matter via informal negotiation. The officer shall also report promptly the details of the matter and a proposal for informal resolution, mindful that the company that made the complaint may not have all of the facts, and that there is usually another side to the story. The ECS officer on the other side of the complaint shall also promptly report the ascertained facts, again adding recommendations for informal resolution. If resolution is satisfactory to the companies involved, the matter is to be reported as a success. If not, it is to be referred to the next highest level within ECS for appropriate handling. Provide further brief examples of trade complaint resolution by ECS officers, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on this matter.)

11. REMOVING BARRIERS TO TRADE

(Examples: It is the policy of ECS that barriers to trade are also to be resolved at the lowest appropriate level, and that their removal shall constitute a success for the ECS Team involved. There are barriers related to single transactions, and others that are systemic and which may require high-level negotiation. It is appropriate for all ECS offices overseas to track all known barriers to Egyptian trade and to report upon any new ones which may arise. At a minimum, the report on barriers to trade is to be reviewed annually and revised, if needed. It is to be reported electronically, and shared with appropriate partners and multipliers unless there are sections which are classified or which contain business confidential material. In such cases, the material in question shall be removed from the draft before publication and posting on the ECS website. Provide further brief examples of removal of trade barriers by ECS officers, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on this matter.)

INVESTMENT COUNSELING

(Note: This section on investors is merely illustrative, and may be superseded by more detailed material provided by colleagues from the European Union, who have national experience in investment promotion. In the United States all investor leads are referred to individual states, which then compete for the investment. There is no federal office promoting investment.)

1. INVESTOR MANAGEMENT

(Examples: It is the policy of ECS that investors are to be handled in the same professional ways as we handle other clients. Because investors are often considering other nations for the

same investment, it is appropriate for ECS officers to inquire which nations are also under consideration, and to report to ECS Headquarters by the fastest appropriate means so that a competitor analysis may be undertaken without delay. It is also the policy of ECS that investors are to be encouraged to visit Egypt, and that every appropriate partner and multiplier shall be contacted to ensure that the investor is provided all information relevant to the proposed investment. In addition, the ECS officer shall maintain the relationship with the investor throughout the study period, always available to offer and provide additional details until a successful investment is made. A successful investment shall constitute an ECS success story, and should be reported electronically. Provide further brief examples of investor management by ECS officers, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on this matter.)

2. TARGETING INVESTORS

(Note: For E.U. colleagues to elaborate.)

3. RESEARCH FOR INVESTORS

(Note: For E.U. colleagues to elaborate.)

4. INVESTOR MISSIONS

(Note: For E.U. colleagues to elaborate.)

5. DELIGHTING THE INVESTOR

(Examples: It is the policy of ECS that the investor shall be considered as a client, and thus all of the standards for client management and for delighting the client shall apply. In addition, the ECS officer shall ensure that all appropriate partners and multipliers who may work with investors are made aware of our high standards to delight the investor, and that they should adhere to these same professional standards throughout their relationship. Provide further brief examples of delighting the investor by ECS officers, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on this matter.)

ADMINISTRATION

1. PERSONNEL (SHOULD BE SEPARATE HANDBOOK)

(Provide merely a brief overview of the Human Resources Department, its functions, the HR structure of the ECS, generic position descriptions, precepts for promotions, typical training and career tracks, and key contacts within the department. Provide further brief examples of personnel management by ECS officers, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on personnel issues.)

2. FINANCIAL MANAGEMENT (SHOULD BE A SEPARATE HANDBOOK)

(Provide merely a brief overview of financial functions, the financial responsibilities of an ECS officer or staff member, brief descriptions of typical financial management documents, and key contacts who handle these matters.)

3. ADMINISTRATIVE ACTIONS

- A. WITHIN ECS
- B. WITHIN THE MINISTRY
- C. WITH OTHER MINISTRIES
- D. WITH OTHER EGYPTIAN GOVERNMENT AGENCIES

(Provide a brief overview of administrative functions, the administrative responsibilities of an ECS officer or staff member, brief descriptions of typical administrative steps, documents, and key contacts who handle these matters. . Provide further brief examples of administrative actions by ECS officers, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on administrative issues.)

4. PROPERTY MANAGEMENT

(Provide a brief overview of property functions, the responsibilities of an ECS officer or staff member, brief descriptions of typical property management steps, documents, and key contacts who handle these matters. Provide further brief examples of property management by ECS officers, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on property issues.)

5. REPORT MANAGEMENT

(Provide a brief overview of reporting functions, the reporting responsibilities of an ECS officer or staff member, brief descriptions of typical reporting steps, documents, and key contacts who handle these matters. Provide further brief examples of report management by ECS officers, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on reporting issues.)

- A. EXPORT OPPORTUNITIES
- B. INVESTMENT OPPORTUNITIES
- C. INTERNATIONAL EXHIBITIONS
- D. INTERNATIONAL TENDERS
- E. BILATERAL AGREEMENTS
- F. ISSUES INFLUENCING RELATIONS
- G. MARKET STUDIES
- H. DELEGATIONS
- I. EXPORTERS

6. MANAGEMENT OF SENSITIVE DOCUMENTS

A. CLASSIFIED MATERIALS

(Note: This section may be classified. If so, it should not be put on the website, nor should it be part of any unclassified publication.)

B. BUSINESS CONFIDENTIAL

(Provide a brief overview of business confidential documents, the safeguarding responsibilities of an ECS officer or staff member, brief descriptions of typical safeguarding steps, documents, and key contacts who handle these matters. Provide further brief examples of sensitive document management by ECS officers, responsibilities of an ECS officer or staff member, brief descriptions of typical steps, documents, and key contacts who can advise on these issues.)

Annex 2

ECS IMPLEMENTATION PLAN

January – December 2005

All items implemented concurrently and dynamically in three phases of:

Phase 1 - 90 days

Phase 2 - 90 days

Phase 3- 180 days:

- Strategic Reorientation
- Institutional Strengthening
- IT Office
- HR Office
- Planning and Development Office
- Product/Market Analysis
- Training

Strategic Reorientation – Phase 1

Select ECS Team

Empower team to define mission, vision, and values

Discuss mission, vision, and values with clients and provide them to TEP-A

Select key chapters of operations manual for “early wins”

Draft resource allocation matrix

Select other teams for other chapters

Note: The following guidance was provided by the Minister’s Advisor:

“INSTITUTIONAL DEVELOPMENT PLANS

HEADQUARTERS:

Select ECS Team

Define mission, vision, values, and objectives

Build ownership

Create operations, evaluation, and incentive manuals

Evaluate and justify adjustments of overseas offices

Create HR and training department

Seek feed back from stakeholders

Reorient and restructure ECS departments

CHALLENGES

Attracting and retaining high caliber resources

Adapting to dynamic work environment

Enforcing transparent operational procedures

Efficient communications with other MFTI sectors

Struggle to overcome ECS’ image”

Strategic Reorientation – Phase 2

Continue drafting of operations manual
Post chapters for review
Recommend adjustments to overseas locations
Seek feedback
Empower training team

Strategic Reorientation – Phase 3

Refine operations manual
Seek stakeholder feedback on services
Seek approval for resource allocation overseas
Implement training plan for ECS personnel at home and abroad
Implement new strategy through IT systems

Expected Results

Strategic reorientation implemented through institutional change
Empowerment of personnel
Focus on performance management supported through new HR office
Resource allocation rationalized
IT systems supporting strategic vision
Results for exporters and investors

Annex 3

Detailed Work Plan – Headquarters Systems

Strategic Reorientation – Phase 1 – 90 Days

Select Lead ECS Team – first 5 days – selected by First Undersecretary, approved by Minister

- Dynamic, results-oriented
- Able to work to deadlines
- Able to enlist support of others
- Representing a cross-section of ECS
- Team must be empowered to act

Lead Team defines mission, vision, and values – by day 10

- Rapid drafting and posting
- Feedback encouraged
- Must keep focus on results for exporter and investor

Discuss mission, vision, and values with clients and provide them to TEP-A - by day 20

- Incorporate any feedback
- Revise, as necessary

Select key chapters of operations manual and handbooks for “early wins” - days 25 to 45

- Draft first three chapters of each major heading:
Mission, Export Counseling, Client Management, Investors, Administration
Focus on: essential functions, standard operating procedures, results
Beware of: old thinking, personal interests, business as usual
Aim for: excellence, client service, reporting successes
- Begin also handbooks on personnel, and finance
Examples: Position descriptions, performance management criteria
Administrative actions, report management, reporting successes
Focus on: essential functions, standard operating procedures, results
Beware of: old thinking, personal interests, business as usual
Aim for: excellence, client service, reporting successes
- Enlist support of personnel in affected departments and units
Examples: geographic and functional offices, administrative and technical staff, and experts in specific areas or disciplines

Draft resource allocation matrix – days 45 to 60

- Keep matrix to maximum ten variables
Statistical examples: GDP, population, imports from Egypt, exports to Egypt
Analytical examples: potential for increase in exports, stability of imports, non-tariff barriers
Functional examples: treaties, transport ease, historic ties
Other examples: ministerial travel, upcoming trade event, political factors, demand from trade association, growing exporter demand
- Analyze existing offices using matrix
Check for consistency, be guided by results, and consider costs
- Analyze potential offices
Check for consistency, be guided by potential results, and consider costs
- Select from both matrices the offices that yield best results

Recommendations should be guided by results, or potential results, not historic ties, but costs of closing or opening an office should have considerable weight

- Seek feedback
Stakeholders, multipliers, and clients should have a say in locations that will serve their needs
- Refine matrix
ECS cannot be everywhere; budget and personnel are finite

Select other teams for other chapters and handbooks – days 61 to 80

- Same criteria as lead team
- Same empowerment
- Report to lead team
- Posting and feedback

Report to ECS management, stakeholders and to Ministry for guidance for phase 2 – days 81 to 90.

- Incorporate guidance and post prior to phase 2

Deliverables at the end of 90 days:

Approved mission, vision, and values

Approved key chapters of operations manual and handbooks

Approved functions and reports for the chapters written

Approved matrix (even if not all overseas offices have been approved)

Strategic Reorientation – Phase 2 – days 91 to 180

Continue drafting of operations manual and handbooks

Post chapters for review

Recommend adjustments to functions in headquarters and in overseas locations

Seek feedback from stakeholders, multipliers, exporters

Empower training team and

Implement training plan for ECS personnel at home

Strategic Reorientation – Phase 3 – days 181 to 360

Refine operations manual

Seek stakeholder feedback on services

Seek approval for resource allocation overseas

Implement training plan for ECS personnel abroad

Implement new strategy through IT systems

Annex 4

Detailed Training Plan – Headquarters

Strategic Reorientation – Phase 2 – days 91 to 180

World-class commercial services instill in all of their personnel the core competencies that are expected. The ECS should do the same. To this end, a core competencies training course should be developed, most probably by the same company that provides the distance learning materials. Below are some of the tradecraft skills that should be taught both in headquarters and overseas via distance learning.

Reporting and Analysis

Basic Standards in Market Research and Analysis

(Examples: working with an ATR consultant and with sector experts, ECS personnel will prepare basic market research on key export sectors of the Egyptian economy, including sectors that may have potential. They will analyze both the best sectors and the best markets for these sectors. By so doing, they will also establish outlines and/or templates that will be available on the web for all future market research done by ECS. The drafts should be evaluated by end-users in the sectors chosen, and the feed-back incorporated in the templates that ECS uses.)

Information Product Development

(Examples: Country, market, and spot reports of use to exporters will be developed with the help of ATR consultants and tested by end-users for utility. The templates developed in this training session will be posted on the ECS website for use in developing other reports of a similar nature.)

Tracking and Reporting of Export and Investment Successes

(Examples: Export and investment successes will have their own templates and will include basic contact information, the nature of the success, and the degree of value-added service rendered by ECS personnel. These will be posted on the ECS website for public use and for emulation by other ECS personnel.)

Editing of Reports for use by Egyptian firms, partners, and multipliers

(Examples: Current ECS reports will be analyzed for their utility to the business community. An ATR consultant and key sector participants will help to shape the documents for practical usage, brevity, and substance.)

Client Skills

Client Management

(Examples: An ATR consultant and key client-oriented business people will instill in ECS personnel the basics of client management skills. These include, but are not limited to: listening to the client; delivering what the client wants; delivering it when the client wants; recognition that time is money in the business world; managing communications with the client; working at the client's pace (i.e., never getting too far ahead or behind the client); delivering results that satisfy the client; satisfying client complaints, etc.)

Outreach and Partnering Skills

(Examples: An ATR consultant and client-oriented business people will teach the skills that ECS personnel need to call on business clients, seek their business, elicit their feed-back on needed services, partner with them in achieving results, etc.)

Developing and Delivering Value-added Services

(Examples: Engaging early and often with trade associations, interest groups, and non-governmental agencies can help to hone the types of value-added services that ECS personnel should be providing to their clientele. An ATR consultant can help the ECS to prepare a list of such services, test it with focus groups, and refine it into a full menu of services that the ECS can offer.)

HR Skills

Performance Plans for Overseas Offices

(Examples: An ATR consultant and appropriate HR specialists will work with ECS personnel to develop generic and specific performance plans for the overseas offices in conjunction with regional directors and the personnel that they supervise.)

Objective Evaluation Procedures

(Examples: An ATR consultant and appropriate HR specialists will work with ECS personnel to develop objective evaluation criteria that focus upon the results obtained on behalf of clients and stakeholders and in line with the ECS mission, vision, and values.)

Turning Generic Performance Plans into Specifics

(Examples: An ATR consultant will assist ECS personnel in crafting specific performance plans for officers at different grades and levels of responsibility that fit the mission of the ECS and give appropriate focus to client service.)

Practical aspects of Critiques of Performance

(An ATR consultant, assisted by HR specialists, will use role-play and other appropriate techniques to give practical tips on the critiques of performance of officers at different ranks and in different levels of responsibility. Emphasis will be placed upon early identification, mid-course informal feed-back, and final evaluations that help to improve performance in a client-driven service.)

Writing Regional Plans

(Examples: An ATR consultant will assist regional directors in crafting regional plans that meet ECS mission objectives in terms of delivery of client and stakeholder services, expected performance results, resource allocations, and trade promotions.)

Evaluating Regional Directors

(Examples: An ATR consultant will assist upper management in crafting appropriate evaluations of regional managers in a performance-based client-service organization.)

Management of Performance-based Organizations

(Examples: An ATR consultant will assist upper management and regional directors in crafting plans for the appropriate use of the human and fiscal resources provided by the ministry in carrying-out the ECS mission.)

Detailed Training Plan – Overseas

Strategic Reorientation – Phase 3 – days 191 to 360

-via distance learning for professionals

These will be similar content to the training plan for headquarters, but the medium for delivery will be via the internet or via CDs for posts that do not have reliable internet services. Any variation in content will merely be to emphasize any differences between headquarters work and work in the overseas field. Basic standards of client service and of performance-based management are to be the same.

Reporting and Analysis

Basic Standards in Market Research and Analysis

Information Product Development

Reporting of Export and Investment Successes

Drafting of Reports for use by Egyptian firms, partners, and multipliers

Client Skills

Client Management

Outreach and Partnering Skills

Delivering Value-added Services

Actions of Performance-based Organizations

HR Skills

Performance Plans for Overseas Officers

Objective Evaluation Procedures

Turning Generic Performance Plans into Specifics

Practical aspects of Critiques of Performance

Writing Office Plans

Evaluating Subordinates